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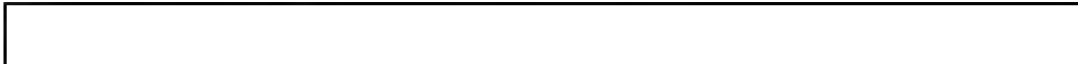
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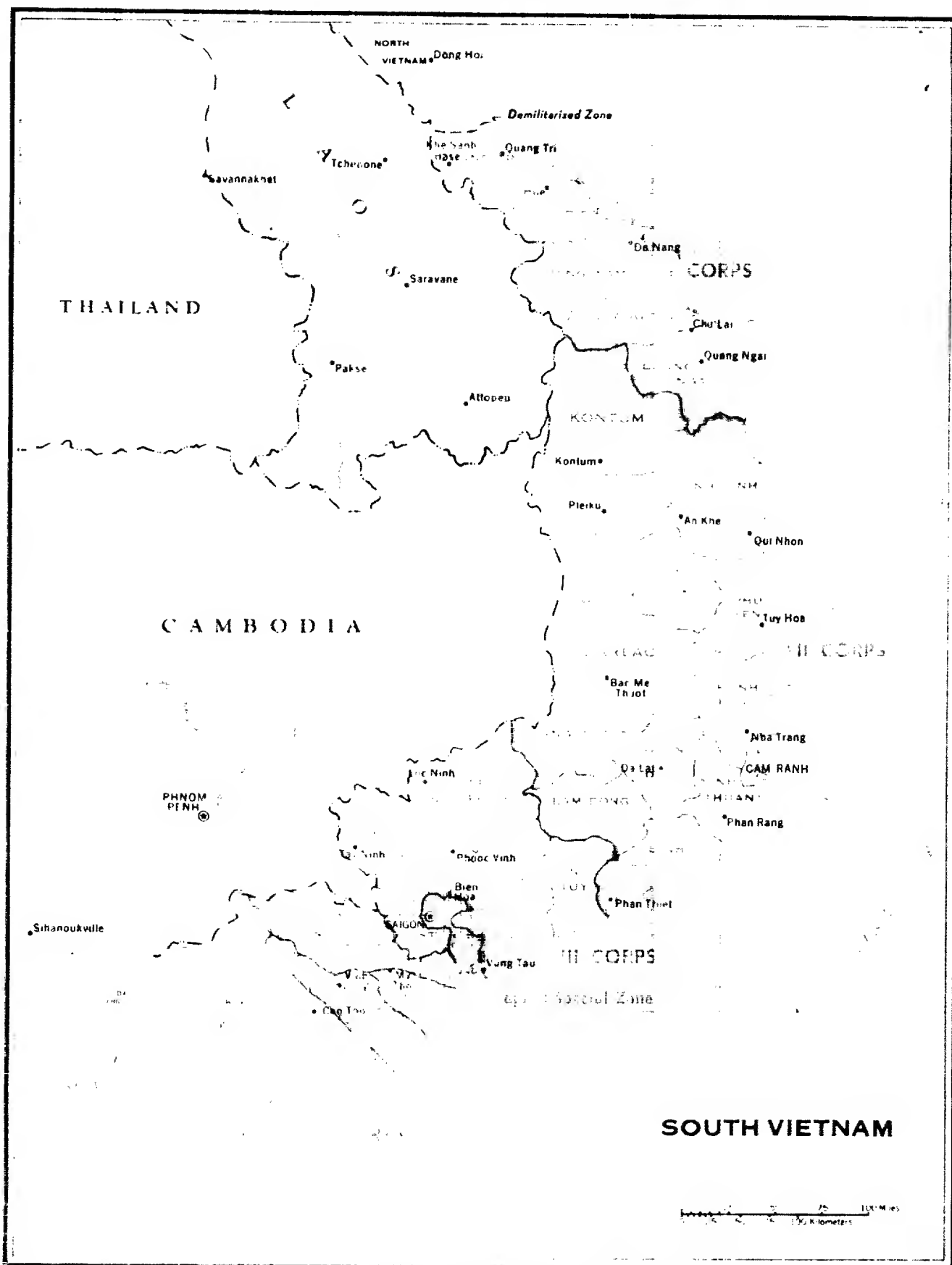


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[South Vietnam: The widespread but generally light wave of enemy attacks over the weekend appears to have been designed to achieve psychological rather than military advantages at the onset of the Paris talks.

Shortly after midnight on 5 May, Saigon time, the Communists carried out coordinated raids against more than 125 military bases and government centers throughout South Vietnam. Most of these actions were confined to mortar and rocket attacks which were not followed by ground assaults. Relatively little property damage and loss of life has been reported.

In Saigon, the enemy did engage in several fire fights, chiefly at two bridges on Route 1 and in Precinct Five and the Cholon district. The US Chancery received small-arms and mortar fire, but no significant damage was reported.

The country-wide enemy attacks were accompanied by National Liberation Front radiobroadcasts calling for a general uprising in the Saigon area. It appears that the Communists hoped to strengthen their claims of widespread popular revolt and possession of the military initiative as negotiations got under way in Paris.

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Czechoslovakia-USSR: Leaders of the two countries appear to have resolved very little during their talks in Moscow on 4 and 5 May.

The joint communiqué suggests, however, that once again the Soviets have accepted Czechoslovak assurances that Prague's alliance with Moscow will remain fundamentally unaltered. The two sides were said to have expressed a desire to expand friendly relations on all levels.

There is no sign, however, that the conflicting viewpoints on "Communist unity" were reconciled. Indeed, the press polemics between the Czechoslovaks and the Poles which went on while the Moscow talks were in progress suggest that this gap may continue to widen.

The communiqué also suggests that there was only agreement to disagree on a number of other issues important to both sides. For example, "frank ...views were exchanged" on the roles played by the two Communist parties in their own countries. The Soviets have expressed concern that Czechoslovak Communists might share power with other political forces, or lose it altogether.

The Czechs appear to have gained no firm commitment on economic aid from the Soviets. Matters of "economic cooperation," according to the communiqué, would be referred to experts for examination. There have been reports that the Czechs went to Moscow seeking a large credit, or at least the possibility of Soviet payment for Czechoslovak goods in hard currency.

Earlier both sides had denied that Moscow had cut off grain shipments to Czechoslovakia as a form of pressure, but some evidence is available that there may have been a slowdown.

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Although the issue was not mentioned in the communiqué, Czechoslovakia's participation in Warsaw Pact maneuvers scheduled for this year also may have been a worrisome question, at least in Prague. On 3 May, Czechoslovak Defense Minister Dzur denied a Western press report that Prague had refused to let a pact exercise be held on its territory. Dzur said that "staff exercises," presumably a joint command post exercise, would indeed be held in Czechoslovakia this year. Seemingly concerned about the effect of this announcement on the population, he implied, however, that large numbers of pact troops would not be deployed into Czechoslovakia.

Party Chief Dubcek reportedly is scheduled to report today on his trip to the Czechoslovak public.

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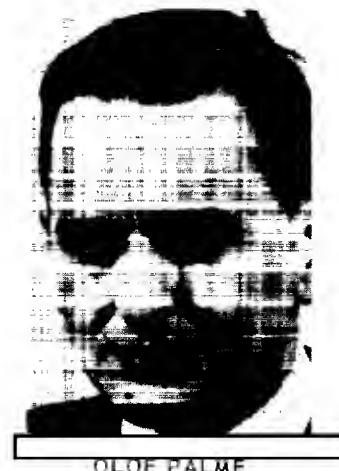
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Sweden: [The government's leading critic of the US recently returned to the attack.]

[In a televised speech to a May Day rally in Stockholm, Education Minister Palme avoided specific criticism of the US role in Vietnam, but came close to defying a ban imposed two months ago by party leaders on any further efforts on his part to "make" Swedish foreign policy. The ban was the result of virulent remarks he made against the US at an anti-Vietnam rally on 21 February.]



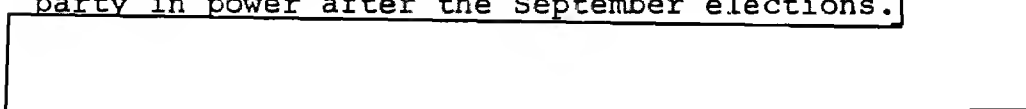
OLOF PALME

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[Palme clearly had the US in mind, however, when he denounced "pressure from a foreign power," and declared that Swedish neutrality would not be determined "by a foreign ambassador." He also alluded to racial disturbances in the US.]

[Despite the unpopularity of Palme's views among many of the governing Social Democrats, neither the party leadership nor the opposition parties in this election year have chosen to challenge him seriously. Popular acceptance of the view that the US was exerting pressure on Sweden has strengthened his hand.]

[Prime Minister Erlander and other Social Democratic leaders have occasionally been embarrassed by Palme, but they apparently believe any damage done by his remarks is offset by his popularity with left-wing and radical elements both within and outside the party. Support of these groups may be vital for Social Democrats in order to keep the party in power after the September elections.]



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Chile: Uneasiness continues in the wake of changes in the cabinet and army high command.

[The US Embassy reports that unrest in the military is very real and, although there is no evidence of any coup plotting, the conditions for developing a coup mentality have not been as good for many years.]

The new defense minister, General Tulio Marambio, plans to submit a supplemental military pay bill to congress within the next two weeks. Failure to obtain its passage could trigger a wave of military resignations and deprive the government of military support to back up police action against labor agitation.

The unsettled situation within the military has put great pressure on the government to obtain a quick settlement of the teachers' and postal and telegraph workers' strike. There are indications that the labor unions are beginning to consider softening their demands for pay increases in the fear that the cabinet changes will precipitate strong-arm tactics by the government. The Communist Party in particular fears that it would be the principal victim of a crackdown on the left, and is therefore advocating a better deal for the military.

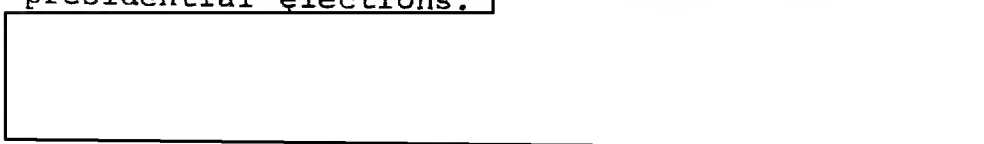


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Honduras: The month-long dispute between the opposition Liberal Party and President Lopez over the fraudulent municipal elections in March is likely to continue for some time.

On 1 May Lopez offered to grant the Liberals control of as many as 40 municipalities in addition to those they had won in the election, but this was rejected. The President has stated that he is willing to continue discussions with the Liberals at an unspecified future date provided complete annulment of the election is not a precondition to further talks.

The President probably would have made other conciliatory gestures, but his Minister of the Presidency Ricardo Zuniga, who was responsible for the massive electoral fraud, apparently persuaded him not to. As long as Zuniga remains on the scene, opposition participation in the government is likely to be minimal. The Liberals probably will try to reach some compromise with Lopez, however, so that they will not be completely isolated from the 1971 presidential elections.



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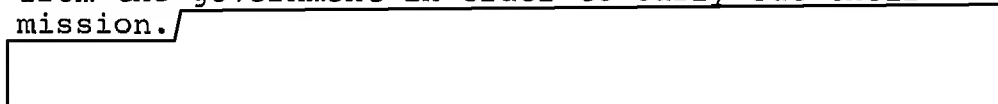
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Indonesia: In a move designed to purge and reorganize the national police, Djakarta has announced the dismissal of Police Commander Sutjipto, one of the few remaining significant holdovers from the Sukarno years. He will be replaced by police Lt. Gen. Hugeng as commander and police Maj. Gen. Aziz in the newly created post of vice commander.

Of the two, Aziz is the more capable. Hugeng is expected to serve as a figurehead, running interference while Aziz works to restore the police to its traditional nonmilitary role. Indonesia's national police, especially its 23,000-man mobile brigade combat force, has long played a quasi-military role which the Suharto government is anxious to change. The new appointees take over on 15 May. They probably will move cautiously at first until they are assured of the strong backing they need from the government in order to carry out their mission.



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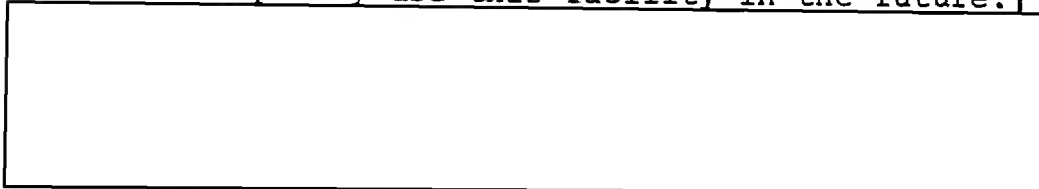
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USSR-Malta: [Moscow has renewed a longstanding offer to Malta to conduct an offshore oil survey. According to a representative of a Soviet state trading company in Malta, the USSR would supply equipment and 80 experts to undertake the survey at Malta's expense. Prospects for finding commercially exploitable petroleum are not rated too high, but a large Soviet presence in Malta could afford Moscow favorable publicity.]

[Although Soviet economic relations with Malta have been minimal, two commercial officers from the Soviet Embassy in Rome visited Malta last month to seek increased trade. The USSR also sent its first ship to the Malta drydocks last month for repair, and although Soviet officials were not impressed with Maltese skill or efficiency, other Soviet commercial ships may use this facility in the future.]



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